

or by continuing standalone operation under new leadership and potentially with a new capital structure.

4. The Involuntary Petition was filed by Dave Cavena (“Cavena”); Oxberry, LLC (“Oxberry”); Grinberg Asset Holdings, LLC (“Grinberg,” and together with Cavena and Oxberry, the “Petitioning Creditors”). Image Trends files this answer to contest the Involuntary Petition, as permitted by section 303(d) of the Bankruptcy Code and Federal Rule of Bankruptcy Procedure 1011(a).

5. Image Trends has more than twelve creditors. *See* Exhibit 1 (listing creditors, as required by Federal Rule of Bankruptcy Procedure 1003(b)). Therefore an involuntary petition against Image Trends must be supported by at least three creditors who hold claims “not contingent as to liability or the subject of a bona fide dispute as to liability or amount.” 11 U.S.C. § 303(b)(1). Importantly, the burden is on the creditors to demonstrate their standing to serve as petitioners pursuant to section 303.

6. Here, the Petitioning Creditors cannot carry their burden. The claim of Oxberry is at a minimum subject to bona fide dispute as to amount, and it may be barred in part or whole by the applicable statute of limitations or by defenses and counterclaims relating to the quality of the products and services provided by Oxberry.

7. Image Trends lacks sufficient information concerning the basis for the amounts asserted by Cavena and Grinberg, and thus is unable to assess whether their claims are non-contingent and undisputed or not. Image Trends requests that they be required to put on their evidence and carry their burden on this point.

8. For these reasons, standing is lacking for at least one—and potentially all three—of the Petitioning Creditors. In the absence of three legally qualified creditors to support it, the Involuntary Petition must fail.

9. If the Petitioning Creditors fail to sustain their burden, Image Trends will seek the additional relief to which it is entitled including costs, reasonable attorney's fees, damages caused by the filing, and punitive damages, all as provided in 11 U.S.C. § 303(i).

10. Image Trends reserves its right to urge further defenses to the Involuntary Petition and the standing of the Petitioning Creditors.

THEREFORE, Image Trends respectfully requests that after a hearing on this matter, the Involuntary Petition be dismissed and Image Trends be awarded such other further and different relief as to which Image Trends may show itself to be justly entitled.

Respectfully submitted,

HOHMANN, TAUBE & SUMMERS, L.L.P.

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CERTIFICATE OF SERVICE

I hereby certify that the above and foregoing has been served by the Court's ECF e-filing notification on all parties receiving such notices and on all parties listed below by United States First Class Mail on this 18th day of November, 2014:

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/s/ Eric J. Taube
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